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## BEFORE THE ARIZONA SUPPLY CORPORATION COMMISSION

DOCKETED

CARL J. KUNASEK

Chairman

JIM IRVIN

Commissioner

WILLIAM A. MUNDELL

Commissioner

JAN 10 2000

DOCKETED BY

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IN THE MATTER OF TUCSON ELECTRIC  
POWER COMPANY'S FILING TO INTRODUCE  
ITS GREENWATTS PRICING PLAN-RIDER  
NO. 17.

DOCKET NO. E-01933A-99-0727

DECISION NO. 62198ORDER

Open Meeting  
January 5 and 6, 2000  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Tucson Electric Power Company (TEP) is certificated to provide electric service as a public service corporation in the State of Arizona.

2. On December 16, 1999, TEP filed its proposed GreenWatts Pricing Plan-Rider No. 17 (GreenWatts). This tariff is TEP's effort to introduce voluntary "green pricing" for its customers. Green pricing allows customers to voluntarily pay more for their electricity if more electricity is generated from renewable resources.

3. Under the proposed GreenWatts tariff, customers would be allowed to purchase blocks of energy at a premium to their existing rate schedules. The energy would be generated by burning Tucson-area landfill gases and blended with energy from solar power sources as they are constructed. The energy would be delivered for general distribution to the TEP grid and would displace energy from a Tucson-area, coal-burning power plant.

4. The revenues received under the program would be devoted to the construction of new solar power sources in Arizona. The total amount of energy sold under GreenWatts would not exceed the combined capacity of TEP's landfill gas facilities and solar power sources.

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1           5.       GreenWatts would be available to all of TEP's customers. Customers would subscribe  
2 for 20-kWh blocks at \$2.00 per month for the first block and \$1.50 for each additional block.  
3 Customers could choose as many blocks as they want up to the customer's minimum monthly  
4 consumption during the prior 12 months. Subscription would be limited to four blocks for customers  
5 with insufficient billing history. The price would be in addition to the price on the customer's current  
6 rate schedule. The customer would be responsible for the premium payment for the subscribed  
7 number of blocks, regardless of the level of consumption in any billing period. The customer could  
8 terminate or change the subscription at any time by notifying TEP; with any change taking effect in  
9 the succeeding billing period

10           6.       Staff has recommended approval of GreenWatts. The voluntary program would offer  
11 customers a choice to increase the amount of renewable energy going into the Tucson-area grid and  
12 displacing coal-fired generation. The revenue would allow TEP to increase its investment in  
13 renewable resources and help meet the Commission's goals concerning renewable energy, including  
14 the proposed environmental performance standard.

#### 15                               CONCLUSIONS OF LAW

16           1.       TEP is an Arizona public service corporation within the meaning of Article XV,  
17 Section 2, of the Arizona Constitution.

18           2.       The Commission has jurisdiction over TEP and over the subject matter of the  
19 application.

20           3.       Approval of the proposed tariff does not constitute a rate increase as contemplated by  
21 A.R.S. Section 40-250.

22           4.       The Commission, having reviewed the tariff page (copies of which are contained in  
23 the Commission tariff files) and Staff's Memorandum dated December 23, 1999, concludes that the  
24 proposed tariff is reasonable, fair and equitable, and therefore, in the public interest.

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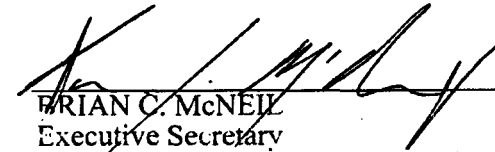
ORDER

THEREFORE, IT IS ORDERED that the tariff filing be and hereby is approved.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY ORDER OF THE ARIZONA CORPORATION COMMISSION**  
CHAIRMAN  
COMMISSIONER  
COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL,  
Executive Secretary of the Arizona Corporation  
Commission, have hereunto, set my hand and caused the  
official seal of this Commission to be affixed at the  
Capitol, in the City of Phoenix, this 10<sup>th</sup> day of June  
, 2000.

  
BRIAN C. McNEIL  
Executive Secretary

DISSENT: \_\_\_\_\_

DRS:BEK:sjs\CCK